

OFFICE OF THE LIEUTENANT GOVERNOR
EVELYN SANGUINETTI – LIEUTENANT GOVERNOR

Local Government Consolidation and Unfunded Mandates Task Force
Meeting Minutes

Wednesday, April 13, 2015
Carbondale Civic Center, Room 112
200 S. Illinois Avenue
Carbondale, Illinois
1:00 PM

| Name | Title | Organization | Present |
|----------------------|-------------------------|-----------------------------------|----------------|
| Evelyn Sanguinetti | Lt. Governor | State of Illinois | Y |
| Tom Demmer | Representative | 90 th District | N |
| Mark Batinick | Representative | 97 th District | Phone |
| Jack Franks | Representative | 63 rd District | N |
| Emmanuel Chris Welch | Representative | 7 th District | N |
| Dan Duffy | Senator | 26 th District | N |
| Dale Righter | Senator | 55 th District | Y |
| Martin A. Sandoval | Senator | 12 th District | N |
| Linda Holmes | Senator | 42 nd District | Phone |
| Karen Darch | Mayor | Barrington | Phone |
| Karen Hasara | Former Mayor | Springfield | Y |
| Brad Cole | Executive Director | Illinois Municipal League | Y |
| Ryan Spain | City Council Member | Peoria | Phone |
| Dan Cronin | Chairman | DuPage County | Phone |
| Michael Bigger | Former Chairman | Stark County | Y |
| Mark Kern | Chairman | St. Clair County | Phone |
| John Espinoza | Board Member | Whiteside County | N |
| Rev. James T. Meeks | Chairman | Illinois State Board of Education | N |
| Dr. Darlene Ruscitti | Regional Superintendent | DuPage Schools | Y |
| Steffanie Seegmiller | Chairman | Arthur School Board | Y |
| M. Hill Hammock | Senior Fellow | Metropolitan Planning Council | Phone |
| Char Foss-Eggemann | Trustee | Park Ridge Library Board | Phone |
| Warren L. Dixon III | Township Assessor | Naperville | Y |
| George Obernagle | Chairman | Kaskaskia Regional Port District | Phone |
| | Non-Voting Member | | |
| Clayton Frick | | Deloitte Services LP | Phone |

The Local Government Consolidation and Unfunded Mandates Task Force met for the fourth time on April 13th, 2015 with Lieutenant Governor and Chair Evelyn Sanguinetti presiding.

MEETING LOCATION

Building: Carbondale Civic Center
Civic Center Room 112
200 S. Illinois Avenue
Carbondale, Illinois
1:00 PM

MEETING START

Meeting Schedule Start: 1:00PM
Meeting Actual Start: 1:11PM

AGENDA

I. Call to order and Roll Call

- a. Lt. Governor Evelyn Sanguinetti called the meeting to order at 1:11PM CT and welcomed members
- b. Roll Call was taken

II. Table minutes from April 8th 2015

- a. Minutes from the last meeting were opened for corrections. Mr. Dixon noted that 6 people were signed up for public comment and only 3 were noted in the minutes. The minutes were moved to be tabled until the next meeting where the corrections would be made for approval. Ms. Seegmiller moved to table the minutes while Ms. Eggemann 2nd the motion. Minutes were tabled to the next meeting pending approval.

III. Chairman's Remarks

- a. Lieutenant Governor Sanguinetti welcomed Task Force members and elected officials present. She thanked those who made the longer drive to the meeting noting that it is important to meet all over the state not just Chicago or Springfield. She reminded task force members that the last meeting on April 22 will consist of discussion and votes on key pieces of legislation currently in the Illinois General Assembly.

IV. Presentations

- a. Dr. Darlene Ruscitti, Regional Superintendent of Education for DuPage County
 - Dr. Ruscitti commented on the drive but enjoyed much of the scenery on her drive down. She said she was grateful to present as she is sometimes frustrated that ideas are presented but not listened to. She mentioned being a part of task forces in the past and coming up with many ideas and looking forward to continuing the conversation.
 - Illinois State Board of Education is the constitutional authority that regional boards report to
 - Under ISBE are the Regional Office of Education with 70 local administrators and 35 offices throughout the state.
 - 866 public schools fall under their jurisdiction

- i. Also falling under ISBE are: Center for School Improvement, Education for Employment Regions, Special Education Cooperatives, Illinois Association of School Administrators, Illinois Principals Association, Illinois Association of School Boards, Illinois Association of School Business Officials

- ISBE role:

- The powers and duties of the IL State Board of Education shall encompass all duties delegated to the Office of Superintendent of Public Instruction on January 12, 1975, except as the law providing for such powers and duties is thereafter amended, and such other powers and duties as the General Assembly shall designate.

- ISBE responsibilities:

- Educational policies and guidelines for public schools
- Pre-school through grade 12 and Vocational Education in the State of Illinois
- Analyze the present and future aims, needs, and requirements of education in the State of Illinois and recommend to the General Assembly the powers which should be exercised by the Board
- Recommend the passage and the legislation necessary to determine the appropriate relationship between the Board and local boards of education and the various State agencies
- Recommend desirable modifications in the laws which affect schools

- Role of ROE

- Conduct Full Compliance of school districts in region with state mandates, Enforce Truancy Laws, Train School Bus Drivers, Teacher and Administrator Licensure, Fingerprinting, monitor, approve, and improve all school health/life safety projects, Shared service/joint purchasing, GED, Professional Development, Safe Schools, Ombudsman/hearing officers, Fingerprinting, Homelessness, Home schooling, School Safety & Crisis Management, Regional Board of School Trustees, and Other tasks

- Public School Districts in Illinois

- Questions:

- Lieutenant Governor Sanguinetti: "You mentioned a law that required consolidation of school districts with less than 750 students. What role do you see ROE's taking in the consolidation process?"
 - A: Dr. Ruscitti: "I'm not sure yet. That's a conversation with other regional superintendents of schools across the state. I think that it's on the books just like the regional superintendent of schools when it went below 45,000, if

we just raised it no one would ever pay attention to it. I think that consolidation is very difficult; it's a very slow and very laborious type of process. It's conceivable conversation. I think before we do that we need to look at overall inefficiencies. I think we can get more dollars into the classroom and maybe have simultaneous conversation. I have had conversation with smaller school districts and they are not opposed some of them know that we need to start having conversations. There are 42 school districts in DuPage County and of that 42 there are 27 that have around 750 or less. I think it's conversation with those that are maybe more willing. open to having conversations.

- Ms. Seegmiller: Territory annexed by regional school board of trustees, who are they and what role do they play?
 - A: That was news to me when I saw it in school code. The regional school board of trustees is a 7 member elected board. They hear petitions for annexation that comes before them.
 - Seegmiller: "is that their only role?"
 - i. Ruscitti: "it is their only role. They also hear a petitions if a school wanted to pull out of the special education cooperative
 - Seegmiller: They receive their authority from the ISBE?
 - i. They do receive their authority from the state board and they are elected. Every ROE has a Regional school board of trustees. Regional Supt are an ex-officio member of the board, but have no authority.
- Mr. Bigger: You say that the Board of Trustees has the authority, but they aren't automatically doing that? (Regarding state statute of 750 or less)
 - A: It's not automatic
Seegmiller – it comes from the school board to the board of trustees. Is that correct?
 - i. "Yes, they would put petition together to present to the board of trustees"
- Mr. Colgan: It says shall be dissolved. What is the trigger? Shall say it should happen, is it just if they notice, like you suggested?
 - A: From my perspective, yes. I didn't even know that this existed. This language is relatively new. Mr. Bigger, "in some of the rural districts it wouldn't happen strictly from a geography stand point."

- Dr. Ruscitti - Classroom first offered feasibility studies and what the issues are from combining schools. Salaries and debt incurred, tax dollars and public comes into play. Start the conversation
- Senator Righter – Thanked Dr. Ruscitti for her presentation. He asked how long it had been a law. Brian Costin says he believes it came into law in 2011. Senator Righter is concerned about the wording with “shall” making it a mandate. What does it mean when it says “to be annexed by the regional board of school trustees?” Ruscitti says that she doesn’t really know as she was not aware of the statute existed. She believed that before the way it read was that it shall be the regional superintendent of schools when it comes to consolidation of two schools together. It doesn’t mean consolidation, it means dissolving. Seegmiller – asks if that another district would completely go away and another district would have to absorb it. Brian Colgan suggests that his take on it is that they are dissolved under the regional board of trustees making a new school district. Seegmiller wants to know if that means the board is the superintendent of schools. Ruscitti is not sure that it would happen that way. She says that she knows it wouldn’t be run by the regional board of school trustees as she doesn’t believe that there is any authority for that.
- Senator Righter: What is it that the ROE do in your professional opinion that only the regional offices can do?
 - Ruscitti - We’re that immediate connection to if they have an issue; if they have a legal issue, a parent issue, many of them will contact us. We are kind of that local control because we understand their needs from a local level.
 - Ruscitti - It’s different in DuPage than Mt. Vernon. I wouldn’t understand some of the issues. Its understanding the local needs of your districts, which has often times, put us in direct conflict with ISBE. In strictly in my opinion: I feel like there is a one size fits all approach. I would argue that the most important thing that we do is respond to the needs of our constituents.
- Senator Righter - If we drill down just a little bit deeper on that what kind of issue are you talking about that we could not empower the local districts to do themselves.
 - Ruscitti - Keep in mind the responsibilities that we have. Many of them are the mandates that we are to hold accountable to the districts in the area. Some of them that we are doing should not be around.
 - Ex – we are required to visit every district (42 districts in DuPage) and talk to them about homelessness. It requires us to spend about a half of a day in each district and filling out about an 8 page report about how they are responding to homelessness and the needs of homeless children in their district.

- We are required by the state to have the oversight.
 - I think we provide support to the schools extremely well. Our value lies in our services to them to move them forward. Smaller districts don't have a lot of ability to align curriculum and test development.
- Senator Righter – let me back up and give you a sense of where I'm coming from. Why can't we take the money that we are giving to the ROE and give it to the schools to let them do the services themselves?
 - Ruscitti - I think the whole system needs looked at. There's been streamlining discussions there was to take some of the EFE's and the Special Ed co-ops and put them under the regional office and consolidate them. We have 4 special Ed. co-ops in DuPage County. That was a recommendation to do first before doing other consolidation.
- Senator Righter – you have four special Ed. co-ops in the county and you're saying that recommendation was to put them under the ROE?
 - Ruscitti - So maybe you would have one servicing the county as opposed to four serving the county.
- Senator Righter – what's the virtue of having a system with elementary and high school districts versus having unit districts?
 - Ruscitti – I would argue that a unit district that there is greater articulation of curriculum. For example my k-8 is working with my high school. Everyone is working as a team and the high school. There is one true system for the unit district. Same policy and same curriculum.
- Senator Righter – if you put them together and put one superintendent over them haven't you solved that problem?
 - Ruscitti – Yes, there is some argument that students achieve better in a unit district.
- Senator Righter - What is the upside of the elementary and high school district?
 - Ruscitti – At this point and time I don't know
- Hasara – thanked Ruscitti for the presentation. I have a question about the EFE's? What is the cost of that? I assume it is coming from the state?
 - Ruscitti – It's a federal program. Salaries are all over the board and they are administrative for the highest portion of them. There are full and part time administrative costs much like special Ed.
- There is some state funding involved?
 - Ruscitti – It comes from the federal Perkins loan and I think with the EFE's through conversations we have had in DuPage County. It's students that attend there but the population is demising because our schools are supporting our students in a different way so the necessity of EFE's is diminishing. Not everywhere. are dwindling because our students are taking the lead of the schools and the necessity is not there as much as the schools are working on being more of cradle to career and there's a bigger issue. My hope is that there would be further explanation and drilling down because it's really about getting more money in the classroom.

- Hasara - I assume there is a report or information about EFE's?
 - Ruscitti – I assume that there is because it is federal and they are accountable to the grant as well as the state board of education.
 - Ruscitti – I want to make this statement: This is not a just about a checklist compliant approach. Did you spend all the money, did you do xyz, did it matter, did it have any value, did it change anything in the lives of the children, did it help increase student achievement, did it have any return on investment? I would argue that for a long time we haven't done that. I think that has to be the bottom line. If you're getting grant dollars, what is the return on the investment? That should be very clear. You don't get the grant next year if you don't show the return on investment.
- Lt. Governor Sanguinetti - One more. You mentioned in slide four you talked about ROE's having a role in facilitating shared services in joint purchasing.
 - Ruscitti – We meet regularly with different entities in DuPage County. There is a bill that was passed that we shall. Once a year there is a report that comes to the regional board of education and we compile that report and send it off to ISBE. I don't know where that goes after that I think that they post it on their website. I know that we have conversation about joint purchasing there is a need and it's a one shot kind of issue. What we will see is joint purchasing for gas and electric and financial services that happens in our county as well. There's some of that going on. As far as shared services goes, we have not been successful in why can't we share a business manager if yours just decides to up and leaves. I think we will see more of that as we go on.
- Brian Costin, Policy Director presents on Governor Rauner's Turnaround Agenda
 - Costin – there's been a lot of discussion about the turnaround agenda. There's a hefty amount of the agenda that is in relation to what we are doing here in this task force. I'm going to walk through the packet that would concern the local governments.
 - The last page talks about collective bargaining, contracting, mandatory manning, goes into thresholds, repealing prevailing wage law and requirement for project labor laws, 280 unfunded mandates, right to work issues, worker compensation costs, compensation for injuries on the job, local right to work issues: having local government issues
 - Page 4 – workers compensation and minimum wage reform
 - Addresses causation standards following the AMA guidelines determining disability awards.
 - Page 9 – Local employee empowerment zones
 - County wide – if there is a county wide vote then all of the local governments in the area would have to abide by the empowerment zone
 - Municipality wide –
 - Unincorporated areas –
 - Page 11 – property tax freeze –

- Some see it as an unfunded mandate, but we have the 2nd highest property taxes in the nation.
 - Freeze can be annulled by local government via referendum
 - Doesn't affect local government budgets until 2017
- Page 12 – Prevailing wage
 - Doing research on our end, we shared a study regarding prevailing wage at the Bloomington task force meeting that showed that school districts have an additional cost of \$1.6 billion over 10 years
- Page 13 – local collective bargaining
 - Give local governments a lot more flexibility
 - Health insurance benefits
 - Staffing levels
 - Schools – flexibility for curriculum, conduct, etc.
- Page 14 – Municipal Bankruptcy
 - 24 states in the country that have some form of municipal bankruptcy under chapter 9 of the bankruptcy code. It would allow municipalities to reorganize.
- Page 24 – constitutional amendment in regards to Pension
 - We haven't found out what IL Supreme Court will say regarding legality of the last session's law
 - Governor's lawyers believe this revision is an even safer bet to be constitutional, but still provides big savings.
 - Not touching anything that has been earned, but local governments would have the flexibility to go into a different arrangement
 - Prospective/Go-forward type of reform
- Overall – there is a distinct empowerment theme in the turnaround agenda giving local governments and citizens more control over their futures. Local governments are being asked to adopt portions of the turnaround agenda.
- Questions
 - Senator Holmes – Pensions moving forward. Are you saying that they sign a contract in 2006 for example and then let's say the date goes to 2012, what happens?
 - Costin – I can get back to you with more information about scenarios. Current retirees are not affected. I would have to check on COLA increases. I can get back to you with more details offline.
 - Senator Righter – page 9 – If there is a county wide referendum – that will affect employees of other units of government. Ex if Jackson County passed a referendum, the employees at the school in Carbondale would be affected by that referendum?
 - Costin – right.

- Righter - ok now I'm going to throw a different scenario. Municipalities are passing resolutions to go against the turnaround agenda – if you have a county going against the turnaround agenda would that prohibit another unit of local government from adopting the empowerment zone?
 - Costin – To my knowledge no. There are different levels and this is more of an opt-in. There is also a way that citizens can put the issue on the ballot as well. Local government would have a way to adopt it.
- Mr. Kern – are you proposing that we stop future unfunded mandates with a constitutional amendment that prohibits unfunded mandates?
 - Costin – The task force can discuss but I don't think that is part of the turnaround agenda. It's addressing specific unfunded mandate issues.
- If prop taxes are frozen how are we to be protected from future legislations that determines that unfunded mandates are ok?
 - Costin – There is a way to get around that. It's only a 2 year freeze. It's a pause for 2 years. Then it reverts back to the normal system unless extended. If there was unfunded mandate relief they could have it extended
- Where do you come up with the figure of 20% for labor costs?
 - Costin – It came from the study we circulated at the Bloomington meeting. It was in the additional supplement reports.
 - Kern – we've had 3 large projects using project/labor agreements and we have had great success. PLA's have been beneficial to St. Clair County.
- Warren Dixon – property tax freeze mechanic – freeze the extension for 2016 payable in 2017, many taxing bodies levy zero for particular years. If you were to do that I would recommend that you go along with P-Tel(??) and look at the last 3 years. I would look at that in the
 - Costin – 2016 property tax freeze.
- Obernagle – bankruptcy could cities be affected by bond ratings?
 - Costin – If there is potential for being rated and the bond agencies are going to take it into effect, then yes it is possible that a bond rating could be affected.
- Seegmiller – how does the property tax freeze affect the school districts?
 - Costin – In the same way. I think it treats all of them equally. Overall, I think I saw a different version of this that made accommodations for growth and TIF districts
 - Seegmiller – 71% of our funding comes from property taxes and we aren't receiving our funding that we are supposed to get at this point. Some schools could be really strained if we aren't careful.
 - Costin – it's a concern. A state wide concern is property taxes, it's not cutting them, but we have to press the pause button for a few years for recovery and a reanalysis of what's going on including the unfunded mandates. Hopefully, what happens is that there is as much unfunded

mandate relief from the state as there is in property tax limitation from State of Illinois.

- Seegmiller – would this prevent a new levy?
- Costin – Property taxes could still be raised via referendum
- Lt. Governor Sanguinetti – Have there been any communities that have endorsed part of the agenda, while not endorsing other parts.
 - It's not a take it or leave it, from what I understand Winnebago County made some revisions to what they approved.

New Business –

Unfunded mandate bills:

- HB 261 – Electronic Publication Instead of newspapers
 - Newspapers have declining readership, while internet is bigger and growing.
 - Internet is more transparent than newspapers
 - Internet is much cheaper than newspapers
 - Local governments shouldn't be forced to spend money in newspapers for public notices, when internet is more transparent and cheaper
- HB 3970 – Prevailing wage and Landscaping –
 - Local Governments in Cook County must pay \$68/hour for Landscaping, more than double private sector costs.
 - Local governments should be able to provide excellent public services at the best possible price to taxpayers
- HB 1329 –
 - Creates a board which systematically reviews existing laws to see if they are outdated, too costly, ineffective, and unconstitutional. Recommends repeal or revision of laws.
 - There is a similar program in Kansas - the Office of the Repealer, so Kansas is part of the model for this bill.

Member Comments –

- Warren Dixon – Comment about the Turnaround Agenda and put the power back to the people and the school districts and that conversations during the task force meetings may have some undue consequences ahead of possible referendum frenzy. He went on to suggest looking forward to consider Chairman Cronin's model for reference.
- Mr. Hammock – Asked for clarification for the next meeting and how it would work
 - Brian Costin noted that all the information would be received ahead of the meeting from him with a list of items to vote on and bills to consider. He suggested reaching out to him for further explanation if needed. Lt. Governor Sanguinetti said there would be no surprise factor.

Public Comments –

- Lee Froneberger, Carbondale City Council regarding park districts and park district consolidation. Stated Illinois is one of only 2 states (California & Illinois) who had stand alone park district and it would be more efficient to consider having park districts run as a department of a municipality. They are run just as well if not better than stand alone park districts. His full statement was submitted for the record.

- Deanna Sullivan – Classroom First and discussion regarding Regional Board of School trustees and goes back to the comments regarding the wording of shall and how it actually works when it comes to consolidation. School districts less than 750 students. She suggested a reminder that school district boundaries often times touch more than one other district boundary and that at one point there was special legislation to allow a district to leap frog boundaries to dissolve.
- Senator Righter – Do you have a recommendation for how regional board of school trustees makes recommendations on consolidations?
 - Sullivan–There are many reasons for consolidation and sometimes it hasn't resulted in a cost savings. State has continually consolidated over time. Consolidations are done for different reasons including reducing superintendents. Local school districts have to make these decisions. Regional Board of School Trustees essential in consolidation process and studying proposals.
- Righter – is that the same for consolidating unit districts to elementary and high school districts?
 - Sullivan – I didn't come prepared to answer all the questions regarding consolidation. She suggested that a lot of the information could be found on their website.
 - Lt. Governor Sanguinetti invited Ms. Sullivan to come back and join them at another meeting as she handled her questions well.

MEETING END

Lieutenant Governor Sanguinetti then motioned to adjourn at 3:19PM CT. Senator Dale Righter moved the motion and Warren Dixon seconded the motion. The motion was approved by majority Ayes with no Nays recorded.

NEXT MEETING

Tuesday, April 22, 2015

TBD